

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF SOUTH CAROLINA**

IN RE:

Carolina Seafood, Inc. - South,

Debtor.

Case No. 09-03165-dd

DISCLOSURE STATEMENT

Chapter 11

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IN RE:

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Case No. 09-03165-dd

Chapter 11

1. INTRODUCTION

Carolina Seafood, Inc. – South ("Carolina Seafood, Inc. - South"), debtor-in-possession in the above-captioned case (the "Chapter 11 case") provides this Disclosure Statement to all of its known creditors pursuant to Section 1125 of the United States Bankruptcy Code (11 U.S.C. Sections 101, et seq.) (the "Bankruptcy Code"). The purpose of this Disclosure Statement is to provide such information as may be deemed material, important, and necessary for the creditors of Carolina Seafood, Inc. - South to make a reasonably informed decision in exercising their right to vote for the acceptance of the Plan of Reorganization of Carolina Seafood, Inc. - South (the "Plan"). The Plan is filed concurrently by Debtor, and accompanies this Disclosure Statement.

A. Disclaimer

NO REPRESENTATIONS CONCERNING CAROLINA SEAFOOD, INC. - SOUTH (PARTICULARLY AS TO THE FUTURE BUSINESS OPERATIONS OR THE VALUE OF ASSETS OF CAROLINA SEAFOOD, INC. - SOUTH OR THE VALUE OF ANY SECURITIES OF ASSETS OF CAROLINA SEAFOOD, INC. - SOUTH) ARE AUTHORIZED OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT

B. Description of Voting

The Court will set a date at a later time for a hearing on the acceptance of the Plan and at that time creditors may vote on the Plan by completing the Ballot mailed with Notice of Hearing and mailing the Ballot to the Bankruptcy Court. As a creditor, your vote is important. The Plan can be confirmed by the Court if it is accepted by the holders of two-thirds (2/3) in dollar amount

and more than one-half (1/2) in number of creditor claims in each class voting on the Plan.

In the event the requisite acceptances are not obtained, the Court may nevertheless confirm the Plan if the Court finds that the Plan accords fair and equitable treatment to the class rejecting it. This procedure is called the "Cram-Down", and may be utilized to force dissenting classes of creditors to accept a Plan of Reorganization.

2. HISTORY

A. Pre-Chapter 11, Cause of Chapter 11

CAROLINA SEAFOOD, INC. – SOUTH

Carolina Seafood, Inc. - South was formed in 1999 as a vehicle through which its sole shareholder, Michael Kern, acquired seven existing Long John Silver fast-food restaurants from (franchisor) LJS Corporation in North and South Carolina. The performance of these restaurants, for the first four years after their purchase, exceeded *pro-forma* forecasts.

As part of the purchase of the seven units from LJS Corporation, LJS Corporation required Carolina Seafood, Inc. – South, commit to building new restaurants in order to enter the franchise system. Carolina Seafood, Inc. – South committed to build an additional three restaurants, in addition to the seven it purchased. The first restaurant constructed under this program achieved financial forecasts from the start; but the next two, located in Gaffney and Greenville, South Carolina, did not, and operated from inception at a loss.

LJS Corporation attempted to dilute the impact of the two losing restaurants in 2008 by selling Carolina Seafood, Inc. – South, an additional five corporate owned-restaurants at a significantly discounted price. While of assistance, the softening of the national economy that began in 2008 accelerated the cash losses in the Gaffney and Greenville restaurants to a total of \$240K in 2009. As a result, Carolina Seafood, Inc. – South, could no longer support this drain on overall cash flow and so filed Chapter 11 in February 2010 in order to reject the leases to in the Gaffney and Greenville locations, close those restaurants.

The remaining 13 restaurants continue to generate positive cash flow and are able to service the S Corporation's secured debt.

CAROLINA SEAFOOD, INC. – TENNESSEE

Carolina Seafood, Inc. - TN was formed in 2008 as a vehicle through which its sole shareholder, Michael Kern, acquired from LJS Corporation five existing LJS restaurants in Tennessee. Performance of these restaurants has exceeded their *pro-forma* forecasts in 2008 and 2009. In fact, this TN S Corp has performed so well it was able to advance \$80,000 to Carolina Seafood, Inc. – South, during 2009 to offset the losses being incurred by its Gaffney and Greenville, SC restaurants. Carolina Seafood, Inc. – TN, remains in a strong financial position and is comfortably servicing its secured debt.

B. Operations Since Commencement of Chapter 11

Since the commencement of the Chapter 11 Case, Carolina Seafood, Inc. – South’s management has instituted continuing profitably-enhancing changes to its operations, most especially with the rejection of, and the closing of, its two unprofitable stores in Gaffney and Greenville, South Carolina. Carolina Seafood, Inc. – South, has, since the commencement of this Case, been able to operate profitably.

Monthly reports of Carolina Seafood, Inc. – South, are on file with the Bankruptcy Court. You are encouraged to review them if you have any questions concerning operations since the commencement of this Case.

3. FINANCIAL DATA

A. Description of Physical Assets: The current physical assets of Carolina Seafood, Inc. – South, consist of the property set forth in Exhibit A hereto. The actual value of Carolina Seafood, Inc. - South is in its continuing franchise operations in North and South Carolina.

B. Estimate of Current Value: The tangible assets of Carolina Seafood, Inc. – South, are set forth in Exhibit A, hereof: it has chosen to present these assets at cost, as the value of the company lies in its franchises, and its continued business.

C. Anticipated Future Profitability: Carolina Seafood, Inc. – South, has developed, with its Certified Public Accountants, what it believes are accurate and representative financial projections for the life of its Plan of Reorganization: they are set forth in Exhibit B hereto, and include the merger of Carolina Seafood, Inc. – South, into Carolina Seafood, Inc. – Tennessee.

D. Source of Information

EXCEPT WHERE SPECIFICALLY STATED OTHERWISE, THE DISCLOSURE STATEMENT HAS BEEN PREPARED BY CAROLINA SEAFOOD, INC. - SOUTH AND HAS BEEN PREPARED BASED ON INFORMATION AVAILABLE TO CAROLINA SEAFOOD, INC. - SOUTH. IT HAS NOT BEEN SUBJECT TO AN AUDIT.

E. Present Financial Condition of Debtor: Carolina Seafood, Inc. - South's current Chapter 11 Balance Sheet is as set forth in Exhibit C hereto. Management of Carolina Seafood, Inc. - South believes that it is an accurate representation of the Company's financial status, inclusive of all Chapter 11 debt.

F. Summary of Claims: Attached as Exhibit D hereto is a detailed summary of the filed, and unfiled, claims of creditors of Carolina Seafood, Inc. - South.

G. Estimate of Return in Chapter 7: Because of the nature of Carolina Seafood, Inc. - South's business, the management of Carolina Seafood, Inc. - South believes that there would be no return over the claims of the lien creditors of Carolina Seafood, Inc. - South in a Chapter 7 for the general, unsecured creditors; and, in all probability no dividend available to the Estate's priority creditors.

H. Accounting Methods in Disclosure Statement: Carolina Seafood, Inc. - South has used the Accrual method of accounting in presenting this disclosure statement.

THE INFORMATION CONTAINED HEREIN HAS NOT BEEN SUBJECT TO A CERTIFIED AUDIT. THOUGH GREAT EFFORT HAS BEEN MADE TO BE ACCURATE, CAROLINA SEAFOOD, INC. - SOUTH IS UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS WITHOUT ANY INACCURACY

I. Collectability of Accounts Receivable: There are no accounts receivables known by management to be owed to Carolina Seafood, Inc. - South.

J. Financial Data: Attached hereto as Exhibit B are Carolina Seafood, Inc. - South's five-year projections for its profitability. Management has chosen to presume a level annual inflation rate of both income and expenses of 2% per annum; and has projected no growth in its business, to attempt to present the most conservative assumptions possible.

4. SUMMARY OF CHAPTER 11 PLAN

A. Summary of Plan:

Class	Amount	Treatment	Impairment
I	\$964,342, \$1,639,573, \$46,341.00 And \$15,097.08	Secured claims paid pursuant to their terms: indebtedness assumed by Carolina Seafood, Inc. – Tennessee	Unimpaired
II	\$0	Paid in Chapter 11	Unimpaired
III	Believed to be less than \$75,000	Paid in Full upon Approval of Court.	Unimpaired
IV	Believed to be less than \$25,000.00	Paid in Full on Effective Date	Unimpaired

V	Franchise Fees	Paid pursuant to settlement agreement	Unimpaired
VI	Assumed Leases	Paid pursuant to (a) settlement agreement, or (b) brought current	Unimpaired
VII	Assumed Executory Contracts	Paid full amount of claim, in ordinary course of business. Arrearages paid from current profits.	Unimpaired
VIII	Under \$30,000	Unsecured Convenience Paid in full on Disbursement Date	Unimpaired
IX	\$272,407	Receives \$4,000 each, plus Class A Notes for 90% of claim (payable over 60 months in equal installments)	Impaired
X	\$770,262.41	Receives \$4,000 each; plus Class A Notes for \$221,400 (payable over 60 months in equal installments); plus Class B Note for \$160,000 (payable over 60 months in equal installments); total payment equal to 50% of Claim	Impaired
XI	Approximately \$350,000.00	Indebtedness Converted to Common Stock	Impaired
XII	\$103,487.09	Expunged – paid Nothing	Impaired
XIII	Interests	Expunged	Impaired

B. Identification of Future Management: Mr. Michael P. Kern shall continue as Chief Executive Officer of Carolina Seafood, Inc. – South, and (upon its merger into Carolina Seafood, Inc. – TN) continue to serve as the merged company’s Chief Executive Officer.

C. Statement of Plan Implementation: The Debtor shall, as soon as practical after the Effective Date, prepare and distribute Notes to the all allowed unsecured claims; shall, as soon as practical after the Effective Date, distribute the new stock and cancel its old stock; shall commence challenging all appropriate claims; shall take such steps as are necessary to substitute Carolina Seafood, Inc. – TN as the Debtor and Lessor on all security agreements and leases, and shall ensure that Carolina Seafood, Inc. – TN effects the merger of Carolina Seafood, Inc. – South into it effective January 1, 2011. Carolina Seafood, Inc., - South

and Carolina Seafood, Inc. – TN, pledge all future income to payment of the Plan.

D. Estimate of Professional Fees: It is believed that professional fees shall not exceed \$75,000.00 in total.

5. RISKS

A. Creditors: The unsecured creditors of Carolina Seafood, Inc. - South risk loss of the entire balance due them if Carolina Seafood, Inc. - South were to not complete the payments it contemplates under the Plan of Reorganization. This risk, however, is identical to the same risk presently facing those unsecured creditors, if the case were to convert to Chapter 7 or be liquidated under the laws of the State of South Carolina. The risk facing the unsecured creditors, accordingly, under this Chapter 11 is identical to that which would face them under a Chapter 7 proceeding, or outside of bankruptcy.

B. Equity Security Holders: The equity security holders under the proposed Plan will not have any future ownership in Carolina Seafood, Inc. – South, except through their stock ownership in Carolina Seafood, Inc. – TN. The Chapter 11 Plan presents a risk to the equity security holders that the projected income of Carolina Seafood, Inc. - South does not meet projections; that is no greater a risk than is not already present.

6. LITIGATION AND TAX MATTERS

A. Actual or Proposed Value of Voidable Preference: There are no known preferences to be pursued by Carolina Seafood, Inc. – South.

B. Pending or Contemplating Litigation: There is no contemplated litigation by Carolina Seafood, Inc. – South.

C. Tax Consequences of Plan: There are no known adverse tax consequences to confirmation of Carolina Seafood, Inc. - South's proposed Plan of Reorganization. The merged Carolina Seafood, Inc. - TN shall, perforce, by payment of its creditors' claims, accede to the Chapter 11 Estate's negative tax attributes.

D. Tax Consequences of Chapter 7: There are no known adverse tax consequences to a Chapter 7 of the Debtor.

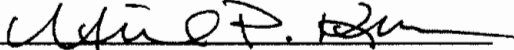
7. IDENTIFICATION OF DEBTOR AND AFFILIATES' RELATIONSHIP

Carolina Seafood, Inc. - South has a franchisor-franchisee relationship with LJS Corporation. Michael P. Kern is also the owner of some of the real estate and warehouse leased to Carolina Seafood, Inc. - TN, and the sole shareholder of Carolina Seafood, Inc. - TN. Mr. Kern has guaranteed various of the debts of Carolina Seafood, Inc. - South, and various of the leases of both Carolina Seafood, Inc. - South and Carolina Seafood, Inc. - TN.

8. DISCLOSURE OF TRANSACTIONS WITH INSIDERS

Carolina Seafood, Inc. - TN leases from Michael P. Kern some of its restaurants in Tennessee. The rental is at a fair market value.

CAROLINA SEAFOOD, INC. - SOUTH

By: 

Michael P. Kern
Its: Chief Executive Officer
617 Brixton Circle
Simpsonville, SC 29681

ANDERSON & ASSOCIATES, P.A.

By: 

Robert F. Anderson, Attorney
for Debtor-in-Possession
District Court ID #1091
P.O. Box 76, Columbia, SC 29202-0076
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Columbia, South Carolina
June 23, 2010

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF SOUTH CAROLINA

IN RE:

Carolina Seafood, Inc. - South, Inc.,

Debtor.

Case No. 09-03165-dd

Chapter 11

EXHIBIT A

<u>Store #</u>	<u>Location</u>	<u>State</u>	<u>Description</u>	<u>Date In Service</u>	<u>Cost</u>
<u>8069</u>	<u>Garner Road</u>	<u>SC</u>	Ice machine	8/6/01	2,400
			Roof	1/1/05	3,622
			New Compressor	5/10/05	2,022
			Sunbrella	11/7/05	1,218
			LI Rooftop AC/Heat	1/9/06	5,290
			Freezer	10/13/06	1,294
			Sign faces	3/16/07	600
			Signs	3/23/07	1,400
			POS Machine	3/27/07	5,553
			Furn Remodel	11/15/07	47,818
			Supression System	12/5/07	3,920
			Furn Fix Remodel	3/31/08	10,218
			Rethmalizer	9/17/08	685
			Menu Board	11/3/08	390
					<u>86,430</u>
<u>8070</u>	<u>Oak St</u>	<u>NC</u>	Street equipment	5/22/01	606
			Fast Track Timer	6/3/04	2,101
			Fast Track Timer	6/3/04	2,101
			Furn Package	2/24/05	102,741
			LIMP	9/11/05	33,031
			Condenser	9/20/06	5,817
			RSI	9/26/07	1,333
			Ice machine	11/27/07	3,462
			UFPC	4/11/08	2,627
			Menu Boards in & DT	4/16/08	5,151
			Sign	5/7/08	1,050
			Rethmalizer	8/30/08	874
			Menu Board	11/3/08	390

			Hot Water Heater	10/23/09	<u>2,550</u>
					<u>163,834</u>
<u>8071</u>	<u>Biltmore</u>	<u>NC</u>	Wall paper	9/10/03	1,430
			Rest Equip	9/1/03	115,939
			Fire Safety Equip	9/2/03	1,046
			Cash Register	9/10/03	25,443
			Glass	9/10/03	309
			Alarm System	9/10/03	2,495
			Stainless Steal	9/10/03	452
			Filing Cab	9/10/03	509
			Bldg Improv	9/10/03	6,914
			Bldg Improv	9/10/03	6,110
			Bldg Improv	9/10/03	113,873
			BIMP	9/10/03	481
			BIMP	9/10/03	2,277
			Parking lot	9/15/03	9,650
			Office Equipment	9/15/03	300
			Hot water Disp	1/31/07	742
			Delfield Prep Table	3/23/07	1,601
			POS Machine	3/27/07	5,553
			Rethmalizer	9/19/08	866
			Menu Board	11/3/08	390
			Awning	7/3/09	665
			Remodel	12/12/09	<u>96,994</u>
					<u>394,039</u>
<u>8072</u>	<u>Brevard</u>	<u>NC</u>	Mach & Equip	12/17/99	66,667
			FF Package	12/27/99	23,333
			TV	4/26/00	201
			TV	4/26/00	201
			Food Bar	6/20/02	1,022
			Fast Track Timer	6/3/04	2,301
			Hot Water Heater	1/3/05	1,687
			Signage	4/26/05	745
			Freezer Compressor	12/9/05	2,554
			Sign Face	2/7/06	882
			POS Machine	3/27/07	5,553
			Furn Fix Update	7/25/08	68,645
			Sign	8/12/08	777
			Rethernmalizer	9/18/08	855
			Menu Board	11/3/08	390
			Awning	10/15/09	<u>1,691</u>

					<u>177,504</u>
<u>8073</u>	<u>Patton</u>	<u>NC</u>	Machinery	12/27/99	24,710
			TV	5/10/00	768
			Menu Board	10/31/00	5,015
			Co Brand	9/30/01	2,861
			Ansul System	10/31/01	823
			Architect	10/31/01	3,600
			Beverage	10/31/01	2,911
			Bldg Imprv	10/31/01	116,969
			Capital Equip	10/31/01	453
			Furniture	10/31/01	65,374
			Lot Striping	10/31/01	1,540
			Registers	10/31/01	21,370
			Awning	10/31/01	7,977
			Land improv	10/31/01	1,025
			Signage	10/31/01	850
			Stainless	10/31/01	687
			Various Equip	10/31/01	65,374
			Windows	10/31/01	778
			Ave Equip	11/18/01	453
			Ave Equip	11/19/01	200
			Ave Seatin	5/30/02	1,050
			Ave Fast Track Timer	4/1/04	2,131
			Fryers	4/8/05	1,000
			POS Machine	3/27/07	5,553
			Manitowoc Quite Cube	2/14/08	3,585
			UFPC	4/22/08	5,508
			Rethermalizer	9/20/08	860
			Menu Board	11/3/08	390
			Prep Table	10/27/09	<u>1,607</u>
					<u>345,422</u>
<u>8074</u>	<u>4 Season</u>	<u>NC</u>	Mach & Equip	12/27/99	66,667
			Rooftop Heater	12/11/00	8,840
			POS Machine	3/27/07	5,552
			Furn Remodel	10/31/07	65,236
			Leasehold Imp- Remodel	10/31/07	38,683
			Awning	12/27/07	1,250
			Paving	5/12/08	12,671
			Rethermalizer	9/8/08	904
			Menu Board	11/3/08	<u>390</u>

					<u>200,193</u>
<u>8075</u>	<u>Blackstock</u>	<u>SC</u>	Ice Machine	7/11/01	598
			FF & E Package	12/1/04	340,000
			Land Improv	3/6/05	3,682
			LIMP	6/8/05	1,990
			POS Machine	3/27/07	5,553
			Rethermalizer	9/18/08	813
			Menu Board	11/3/08	<u>390</u>
					<u>353,026</u>
<u>8188</u>	<u>Greer</u>	<u>SC</u>	FF & E	8/31/03	272,227
			Restaurant Equip	9/4/03	1,029
			Desk	12/24/03	210
			Landscaping	5/11/05	2,538
			Ice Cream Machine	2/9/06	3,682
			POS Machine	3/27/07	5,553
			Menu Board	11/3/08	390
			JAK Foods	11/14/08	1,111
			Rethermalizer	12/4/08	<u>645</u>
					<u>287,385</u>
<u>31479</u>	<u>Mauldin</u>	<u>SC</u>	Furn Fix Pkg	4/23/08	7,572
			Mgr Computer	4/23/08	2,002
			Purchase LI	4/23/08	7,329
			Rethermalizer	9/15/08	644
			Menu Board	11/3/08	<u>390</u>
					<u>17,937</u>
<u>31484</u>	<u>Schockley Ferry</u>	<u>SC</u>	Furn Fix Pkg	4/23/08	7,572
			Mgrs Computer	4/23/08	2,002
			Purchse LI	4/23/08	3,316
			Kitchen Floor	8/8/08	2,750
			Rethermalizer	9/16/08	875
			Awning	10/15/09	2,208
			Menu Board	11/3/08	390
			Remodel	9/1/09	<u>23,328</u>
					<u>42,441</u>

<u>31485</u>	<u>Easley</u>	<u>SC</u>	Furn Fix Package	4/23/08	8,136
			Mgrs Computer	4/23/08	2,002
			Purchase LI	4/23/08	6,417
			Rethermalizer	9/10/08	1,186
			Freezer Door	10/9/08	2,877
			Menu Board	11/3/08	390
			JAK Foods	11/14/08	1,111
			Hot Water Heater	5/15/09	2,805
					<u>24,924</u>
<u>31486</u>	<u>North Main</u>	<u>SC</u>	Furn Fix Pkg	4/23/08	7,650
			Mgr Computer	4/23/08	2,002
			Purchase LI	4/23/08	2,165
			Menu Board	11/3/08	390
			Hot Water Heater	11/12/08	2,600
					<u>14,807</u>
<u>31487</u>	<u>White Horse</u>	<u>SC</u>	Furn Fix & Package	4/23/08	7,572
			Mgr Computer	4/23/08	2,002
			Purchase LI	4/23/08	1,876
			Rethermalizer	9/17/08	636
			Menu Board	11/3/08	390
			Hot Water Heater	6/5/09	2,221
					<u>14,697</u>
<u>Gen & Admin Brixton</u>					
		<u>SC</u>	Computer	1/18/00	1,304
			Desk	2/8/00	950
			CD Burner	8/13/01	192
			Printer-Fax	2/14/05	681
			Phone and Desk	3/18/05	199
			Desk Furniture	11/30/05	2,565
			Computer	2/7/08	1,343
			4 Laptops	5/1/08	2,441
			Printer	5/27/08	642
			Office Computer	1/4/09	697
					<u>11,014</u>
<u>8158</u>	<u>Gaffney</u>	<u>SC</u>	Site Plans- Gaffney	9/4/03	400

			FF & E Package	6/1/04	284,977
			Gaffney Outdoor Sign	1/25/06	15,080
			Ice Cream Machine	2/9/06	3,682
			APW Well Refrigerator	3/14/07	1,046
			POS Machine	3/27/07	5,553
			RSI	7/18/08	1,382
			Rethermalizer	9/18/08	675
			Menu Board	11/3/08	390
			JAK Foods	11/14/08	1,111
			Multiplex used	2/11/09	1,500
			DT LCD Terminal	8/25/09	882
					<u>316,678</u>
<u>31002</u>	<u>Cherryville</u>	<u>SC</u>	Improv	6/30/05	3,442
			Equipment Pack	9/1/05	330,952
			RSI	12/27/07	2,008
			Rethermalizer	9/15/08	582
			Menu Board	11/3/08	390
			Terminal & Display	5/20/09	2,013
					<u>339,387</u>
<u>Grand Total</u>					<u><u>2,789,718</u></u>

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF SOUTH CAROLINA

IN RE:

Carolina Seafood, Inc. - South, Inc.,

Debtor.

Case No. 09-03165-dd

Chapter 11

EXHIBIT B

Carolina Seafood, Inc. - CST & CSS	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	12 months Total
July 2010 - June 2011 Forecast													
YEAR #1													
Sales	1,167,977	868,926	849,044	1,075,036	836,655	637,568	1,045,316	991,081	1,026,105	1,201,455	940,137	955,495	11,816,797
Avg Weekly Sales	233,595	222,232	212,261	215,007	209,164	209,392	209,063	247,770	257,026	240,291	235,034	238,874	2,899,543
Cost of Goods Sold	385,432	293,345	280,185	354,762	276,096	276,397	344,954	327,057	339,275	396,480	310,245	315,313	3,899,543
33.00%													
Total Labor	298,960	236,120	235,200	294,000	235,200	235,200	300,000	274,000	260,000	255,000	236,000	240,000	3,142,620
Incl wages, taxes, & benefits													
Avg Weekly Labor \$	59,780	59,780	56,800	58,800	58,800	58,800	60,000	68,500	65,000	59,000	59,000	60,000	-
Other Operating Expenses	124,214	124,214	124,214	124,214	124,214	124,214	125,469	125,469	125,469	125,469	125,469	125,468	1,498,096
Occupancy, Incl Property Tax	110,125	110,125	110,125	110,125	110,125	110,125	111,237	111,237	111,237	111,237	111,237	111,237	1,328,172
Franchisor Advertising	58,399	44,448	42,452	53,752	41,833	41,878	52,266	49,554	51,405	60,073	47,007	47,775	590,840
Franchisee Royalties	51,391	38,113	37,356	47,302	36,613	36,653	45,994	43,808	45,237	52,864	41,366	42,042	519,939
Income Beverage Syrup Rebates							29,750			100,000			129,750
General & Administrative	47,516	40,687	40,687	47,516	40,687	40,687	47,996	41,098	41,098	47,996	41,096	41,098	518,164
EBITDA	92,000	(2,123)	(21,177)	43,366	(26,313)	(27,767)	44,585	16,614	51,907	209,306	25,371	30,162	449,171
Debt Service	23,200	23,200	23,200	23,200	23,200	23,200	23,200	23,200	23,200	23,200	23,200	23,200	278,400
Net Income After Sec Debt Svc	68,800	(25,323)	(44,377)	20,166	(51,513)	(50,967)	21,385	(6,586)	28,707	186,106	2,171	6,962	170,771
Estate Debt	6,748	6,748	6,748	6,748	6,748	6,748	6,748	6,748	6,748	6,748	6,748	6,748	80,976
Net Income After Estate Debt	62,052	(32,071)	(51,125)	13,418	(58,261)	(57,735)	14,637	(13,334)	21,959	179,358	(4,577)	234	89,795

Carolina Seafood, Inc. - CST & CSS July 2011 - June 2012 Forecast YEAR #2	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	12 months Total
Sales	1,191,337	906,707	866,026	1,096,537	853,388	854,319	1,966,222	1,010,903	1,048,667	1,225,484	958,940	974,805	12,053,132
Avg Weekly Sales	238,363	226,767	216,593	219,395	213,433	213,665	213,244	252,728	262,167	245,097	239,735	243,851	
Cost of Goods Sold	396,715	361,933	288,386	365,147	284,178	284,486	355,052	336,631	349,206	406,086	319,327	324,543	4,013,693
33.30%													
Total Labor	304,878	243,902	239,904	299,880	239,904	239,904	308,060	279,480	265,200	300,900	240,720	244,600	3,205,472
incl wages, taxes, & benefits													
Avg Weekly Labor \$	60,976	60,976	59,976	59,976	59,976	59,976	61,200	59,870	66,300	60,180	60,180	61,200	
Other Operating Expenses	125,469	125,469	125,469	125,469	125,469	125,469	127,978	127,978	127,978	127,978	127,978	127,978	1,520,684
Occupancy, incl Property Tax	111,237	111,237	111,237	111,237	111,237	111,237	111,407	111,407	111,407	111,407	111,407	111,407	1,335,865
Franchise Advertising	60,778	46,268	44,200	55,995	43,575	43,583	53,311	50,545	52,433	61,274	47,947	48,730	606,640
Franchisee Royalties	54,220	41,283	39,443	49,986	38,597	38,860	46,914	44,480	46,141	53,921	42,193	42,883	539,242
Income Beverage Syrup Rebates							30,345			102,000			132,345
General & Administrative	47,996	41,096	41,096	47,996	41,096	41,096	48,956	41,920	41,920	48,956	41,920	41,920	528,976
EBITDA	93,615	(1,820)	(20,979)	44,292	(28,275)	(27,644)	46,949	18,462	54,381	214,961	27,447	32,343	435,904
Debt Service	23,200	23,200	23,200	23,200	23,200	23,200	23,200	23,200	23,200	23,200	23,200	23,200	278,400
Net Income After Debt Service	70,615	(24,820)	(44,179)	21,092	(51,475)	(50,844)	23,749	(4,738)	31,181	191,761	4,247	9,143	157,504
Estate Debt	6,748	6,748	6,748	6,748	6,748	6,748	6,748	6,748	6,748	6,748	6,748	6,748	80,976
Net Income After Estate Debt	63,867	(31,568)	(50,927)	14,344	(58,223)	(57,592)	17,001	(11,486)	24,433	185,013	(2,501)	2,395	76,528

Carolina Seafood, Inc. - CST & CSS July 2012 - June 2013 Forecast YEAR #3	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	12 months Total
Sales	1,215,163	824,841	883,345	1,118,487	870,456	871,406	1,087,547	1,031,121	1,069,641	1,249,993	978,116	994,097	12,294,195
Avg Weekly Sales	243,033	231,210	220,836	223,693	217,814	217,851	217,509	257,780	267,410	249,999	244,530	246,524	
Cost of Goods Sold	405,865	308,697	295,037	373,568	290,732	291,080	363,241	344,394	357,260	417,498	326,692	332,028	4,106,261
33.40%													
Total Labor	310,976	248,780	244,702	305,875	244,702	244,702	312,120	285,070	270,504	306,918	245,534	249,696	3,269,582
incl wages, taxes, & benefits													
Avg Weekly Labor \$	62,195	62,195	61,176	61,176	61,176	61,176	62,424	71,267	67,626	61,384	61,384	62,424	
Other Operating Expenses	127,978	127,978	127,978	127,978	127,978	127,978	130,538	130,538	130,538	130,538	130,538	130,538	1,551,096
Occupancy, incl Property Tax	111,407	111,407	111,407	111,407	111,407	111,407	111,576	111,576	111,576	111,576	111,576	111,576	1,327,908
Franchise Advertising	61,993	47,194	45,084	57,115	44,447	44,485	54,377	51,556	63,482	82,500	48,906	49,705	620,613
Franchisee Royalties	55,305	42,109	40,232	50,985	38,675	39,658	47,852	45,369	47,064	55,900	43,037	43,740	550,027
Income Beverage Syrup Rebates							30,952			104,040			134,992
General & Administrative	48,956	41,920	41,920	48,956	41,920	41,920	49,935	42,758	42,758	49,935	42,758	42,758	536,495
EBITDA	92,684	(3,445)	(23,016)	42,580	(30,408)	(29,764)	48,656	19,887	56,456	220,068	29,075	34,054	457,002
Debt Service	23,200	23,200	23,200	23,200	23,200	23,200	23,200	23,200	23,200	23,200	23,200	23,200	278,400
Net Income After Debt Service	69,484	(26,645)	(46,216)	19,380	(53,606)	(52,964)	25,456	(3,343)	33,256	196,868	6,875	10,854	178,602
Estate Debt	6,748	6,748	6,748	6,748	6,748	6,748	6,748	6,748	6,748	6,748	6,748	6,748	80,976
Net Income After Estate Debt	62,736	(33,393)	(52,964)	12,632	(60,354)	(59,712)	16,910	(10,091)	26,508	190,120	(673)	4,106	97,626

Carolina Seafood, Inc. - CST & CSS July 2013 - June 2014 Forecast YEAR #4	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	12 months Total
Sales	1,239,487	943,338	901,012	1,140,837	887,865	668,834	1,109,297	1,051,743	1,091,033	1,274,993	997,681	1,013,979	12,540,879
Avg Weekly Sales	247,893	235,834	225,253	228,167	221,966	222,208	221,859	262,936	272,758	254,999	249,420	253,495	
Cost of Goods Sold	417,080	317,433	303,191	383,892	298,767	299,093	373,279	353,912	367,133	429,035	335,720	341,204	4,219,737
33.65%													
Total Labor	317,195	253,756	249,596	311,995	249,596	249,596	318,362	290,771	275,914	313,056	250,445	254,690	3,334,973
incl wages, taxes, & benefits													
Avg Weekly Labor \$	63,439	63,439	62,399	62,399	62,399	62,399	63,672	72,693	66,979	62,611	62,611	63,672	
Other Operating Expenses	130,538	130,538	130,538	130,538	130,538	130,538	133,149	133,149	133,149	133,149	133,149	133,149	1,582,120
Occupancy, incl Property Tax	111,578	111,578	111,578	111,578	111,578	111,578	111,748	111,748	111,748	111,748	111,748	111,748	1,339,958
Franchisor Advertising	63,233	46,138	45,986	58,257	45,336	45,344	55,465	52,587	54,552	63,759	49,884	50,699	633,230
Franchisee Royalties	56,411	42,951	41,037	52,005	40,469	40,451	48,809	46,277	48,005	56,100	43,898	44,615	561,027
Income Beverage Syrup Rebates							31,571			106,121			137,692
General & Administrative	49,935	42,758	42,758	49,935	42,758	42,758	50,934	43,614	43,614	50,934	43,614	43,614	547,225
EBITDA	93,497	(3,815)	(23,671)	42,636	(31,176)	(30,524)	49,123	19,686	56,919	223,342	29,224	34,261	459,593
Debt Service	23,200	23,200	23,200	23,200	23,200	23,200	23,200	23,200	23,200	23,200	23,200	23,200	279,400
Net Income After Debt Service	70,297	(27,015)	(46,871)	19,436	(54,376)	(53,724)	25,923	(3,514)	33,719	200,142	6,024	11,061	181,193
Estate Debt	6,748	6,748	6,748	6,748	6,748	6,748	6,748	6,748	6,748	6,748	6,748	6,748	80,976
Net Income After Estate Debt	63,549	(33,763)	(53,619)	12,689	(61,124)	(60,472)	19,175	(10,262)	26,971	193,394	(724)	4,313	100,127

Carolina Seafood, Inc. - CST & CSS July 2014 - June 2015 Forecast YEAR #5	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	12 months Total
Sales	1,264,256	982,204	919,033	1,163,654	905,622	906,611	1,131,483	1,072,778	1,112,654	1,300,493	1,017,634	1,034,259	12,790,861
Avg Weekly Sales	252,851	240,551	229,758	232,731	226,406	228,653	226,297	268,194	278,214	260,099	254,409	258,565	
Cost of Goods Sold	426,583	326,187	311,552	394,479	307,006	307,341	363,573	363,672	377,258	440,867	344,978	350,614	4,336,109
33.90%													
Total Labor	323,539	256,831	254,588	318,235	254,588	254,588	324,730	296,586	281,432	319,317	255,454	259,754	3,401,673
incl wages, taxes, & benefits													
Avg Weekly Labor \$	64,708	64,708	63,647	63,647	63,647	63,647	64,948	74,147	70,358	63,863	63,863	64,946	
Other Operating Expenses	133,149	133,149	133,149	133,149	133,149	133,149	135,812	135,812	135,812	135,812	135,812	135,812	1,613,762
Occupancy, incl Property Tax	111,748	111,748	111,748	111,748	111,748	111,748	111,919	111,919	111,919	111,919	111,919	111,919	1,342,006
Franchisor Advertising	64,498	49,100	48,906	59,422	46,243	46,251	56,574	53,639	55,643	85,025	50,882	51,713	645,894
Franchisee Royalties	57,539	43,810	41,857	53,045	41,276	41,260	49,785	47,202	48,966	57,222	44,776	45,507	572,248
Income Beverage Syrup Rebates							32,202			106,243			140,446
General & Administrative	50,934	43,614	43,614	50,934	43,614	43,614	51,952	44,486	44,486	51,952	44,486	44,486	558,170
EBITDA	94,267	(4,206)	(24,361)	42,642	(32,003)	(31,340)	49,340	19,462	57,339	226,622	29,328	34,424	461,454
Debt Service	23,200	23,200	23,200	23,200	23,200	23,200	23,200	23,200	23,200	23,200	23,200	23,200	278,400
Net Income After Debt Service	71,067	(27,436)	(47,561)	19,442	(55,203)	(54,540)	26,140	(3,738)	34,139	203,422	6,126	11,224	183,054
Estate Debt	6,748	6,748	6,748	6,748	6,748	6,748	6,748	6,748	6,748	6,748	6,748	6,748	80,976
Net Income After Estate Debt	64,319	(34,184)	(54,329)	12,694	(61,951)	(61,288)	19,392	(10,486)	27,391	196,674	(620)	4,476	102,088

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF SOUTH CAROLINA

IN RE:

Carolina Seafood, Inc. - South, Inc.,

Debtor.

Case No. 09-03165-dd

Chapter 11

EXHIBIT C

ASSETS

Current Assets

Cash in Bank	\$	438,676
Inventory		160,772
Prepaid Expenses		57,696
Other Current Assets		34,658
Total Current Assets		691,802

Fixed Assets

Land Improvements		34,826
Leasehold Improvements		397,448
Furn, Fixt, & Equipment		2,357,445
Accumulated Depreciation		(1,472,071)
Total Fixed Assets - Net		1,317,647

Other Assets

Intangible Assets		1,187,500
Accumulated Amortization		(719,105)
Utility Deposit		500
Total Other Assets		468,895

TOTAL ASSETS	\$	2,478,345
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LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable	703,957
Current Portion of Note	99,200
Sales Tax Payable	62,586
Intercompany Payables - Net	539,590
Payroll and Payroll Taxes	80,477
Employee Benefits Payable	2,628
Accrued Property Taxes	55,156
Total Current Liabilities	1,543,594

Long Term Liabilities	
Loan from Shareholder	103,018
Note Payable - First National	1,576,647
Less Current Portion of Note	<u>(99,200)</u>
Total Long Term Liabilities	<u>1,580,465</u>
 Total Liabilities	 3,124,059
 Equity	
Common Stock	20,000
Retained Earnings	<u>(665,714)</u>
Total Equity	<u>(645,714)</u>
 TOTAL LIABILITIES & EQUITY	 <u><u>\$ 2,478,345</u></u>

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF SOUTH CAROLINA

IN RE:

Carolina Seafood, Inc. - South, Inc.,

Debtor.

Case No. 09-03165-dd

Chapter 11

EXHIBIT D
CLAIMS OF CREDITORS
Net after Assumption of Executory Contracts

Claimant	Secured	Priority	Unsecured
BB&T	\$ 613.64		
Great America Leasing	\$ 15,097.14		
BB&T	\$ 46,341.00		
Community South	\$ 964,341.74		
First National Bank of the South	\$1,639,573.00		
UPS		\$ 94.24	\$ 39.76
BJU Campus Media			\$ 318.00
Cintas			\$ 616.52
Daisy Outdoor Advertising			\$ 1,600.00
Air-Vent Exteriors			\$ 2,207.88
ValPak			\$ 3,060.00
Gaffney Ledger			\$ 3,393.99
Charter Media			\$ 30,407.00
Satilla Investments			\$ 770,262.41
	\$ 2,665,966.52	\$ 94.24	\$ 811,905.56